

House Study Bill 9 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
HEALTH AND HUMAN SERVICES
BILL BY CHAIRPERSON MEYER)

A BILL FOR

- 1 An Act relating to the establishment of a mental health
- 2 practitioner loan repayment program, and providing
- 3 appropriations.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.117, Code 2023, is amended by
2 striking the section and inserting in lieu thereof the
3 following:

4 **261.117 Mental health practitioner loan repayment program —**
5 **trust fund — appropriation of moneys in fund.**

6 1. *Program established.* The commission shall establish
7 a mental health practitioner loan repayment program for
8 the purposes of providing loan repayments for mental health
9 practitioners who agree to practice in service commitment areas
10 for at least five years and who meet the requirements of this
11 section.

12 2. *Eligibility.* An individual is eligible to apply to enter
13 into a program agreement with the commission if the individual
14 is enrolled full-time in a curriculum leading to employment as
15 a mental health practitioner. A recipient of a loan repayment
16 award under section 261.113, 261.114, 261.115, or 261.116 shall
17 not be eligible for a loan repayment award under this chapter.

18 3. *Program agreements.* A program agreement shall be
19 entered into by an eligible student and the commission when the
20 eligible student begins the final year of study in an academic
21 program leading to eligibility for employment as a mental
22 health practitioner. Under the agreement, to receive loan
23 repayments pursuant to subsection 5, an eligible student shall
24 agree to and shall fulfill all of the following requirements:

25 a. Receive a graduate-level credential qualifying the
26 credential recipient for employment as a mental health
27 practitioner.

28 b. Receive a license to practice in this state.

29 c. Within nine months of meeting the requirements of a
30 mental health practitioner, engage in full-time practice as
31 a mental health practitioner for a period of five years in a
32 service commitment area.

33 d. During the five-year period of full-time practice, be
34 enrolled as an actively participating Medicaid provider.

35 4. *Priorities in making awards.* In making awards under this

1 section, the commission shall give priority to:

2 *a.* Eligible students who are residents of Iowa upon
3 enrolling in a university and who agree to practice in a
4 service commitment area located in a mental health professional
5 shortage area.

6 *b.* Service commitment areas that are located in mental
7 health professional shortage areas.

8 5. *Loan repayment amounts.*

9 *a.* The amount of loan repayment an eligible student who
10 enters into an agreement pursuant to subsection 3 shall receive
11 if in compliance with obligations under the agreement shall be
12 as follows:

13 (1) For a psychiatrist, forty thousand dollars annually
14 with a maximum of two hundred thousand dollars for an eligible
15 loan, not to exceed the total loan amount.

16 (2) For a psychologist or a mental health professional,
17 eight thousand dollars annually with a maximum of forty
18 thousand dollars for an eligible loan, not to exceed the total
19 loan amount.

20 (3) For a physician assistant practicing under the
21 supervision of a psychiatrist, or for a psychiatric advanced
22 registered nurse practitioner, ten thousand dollars annually
23 with a maximum of fifty thousand dollars, not to exceed the
24 total loan amount.

25 *b.* If the total amount of the eligible student's loan
26 upon graduation is less than the maximum amount specified,
27 the commission shall divide the total amount of the eligible
28 student's eligible loan by five to determine the annual amount
29 of loan repayment the loan recipient is eligible to receive.

30 *c.* Payments under this section may be made for each year of
31 eligible practice during a period of five consecutive years.

32 6. *Refinanced loans.* A loan repayment recipient who
33 refinances an eligible loan by obtaining a private educational
34 loan may continue to receive loan repayment under this section
35 if the amount of loan repayment does not exceed the lesser of

1 the amount specified in subsection 5 or the balance of the loan
2 repayment amount the loan repayment recipient qualified to
3 receive with the eligible loan.

4 7. *Program agreement limitation.* The commission shall by
5 rule determine the number of agreements entered into annually
6 based upon the funding available.

7 8. *Selection of service commitment area.* A loan repayment
8 recipient shall notify the commission of the recipient's
9 service commitment area prior to beginning practice in the area
10 in accordance with subsection 3, paragraph "c". Priority shall
11 be given to recipients who select service commitment areas
12 located in mental health professional shortage areas. The
13 commission may waive the requirement that the loan repayment
14 recipient practice in the same service commitment area for all
15 five years.

16 9. *Rules for additional loan repayment.* The commission
17 shall adopt rules to provide, in addition to loan repayment
18 provided to eligible students pursuant to this section and
19 subject to the availability of surplus funds, loan repayment to
20 a psychiatrist, a psychologist, a mental health professional,
21 a physician assistant practicing under the supervision of
22 a psychiatrist, or a psychiatric advanced registered nurse
23 practitioner, who, as provided in subsection 3, received a
24 degree from a university, obtained a license to practice
25 in this state, and is engaged in full-time practice in the
26 respective profession in a service commitment area.

27 10. *Part-time practice — agreement amended.* A person who
28 entered into an agreement pursuant to subsection 3 may apply
29 to the commission to amend the agreement to allow the person
30 to engage in less than the full-time practice specified in the
31 agreement and under subsection 3, paragraph "c". The commission
32 and the person may consent to amend the agreement under which
33 the person shall engage in less than full-time practice in a
34 service commitment area for an extended period of part-time
35 practice determined by the commission to be proportional to

1 the amount of full-time practice remaining under the original
2 agreement. For purposes of this subsection, "*less than*
3 *the full-time practice*" means at least seventy percent of a
4 forty-hour workweek.

5 11. *Postponement and satisfaction of service obligation.*

6 a. The obligation to engage in practice in accordance with
7 subsection 3 shall be postponed for the following purposes:

8 (1) Active duty status in the armed forces, the armed forces
9 military reserve, or the national guard.

10 (2) Service in volunteers in service to America.

11 (3) Service in the federal peace corps.

12 (4) A period of service commitment to the United States
13 public health service commissioned corps.

14 (5) A period of religious missionary work conducted by an
15 organization exempt from federal income taxation pursuant to
16 section 501(c)(3) of the Internal Revenue Code.

17 (6) Any period of temporary medical incapacity during which
18 the person obligated is unable, due to a medical condition, to
19 engage in full-time practice as required under subsection 3,
20 paragraph "c".

21 b. Except for a postponement under paragraph "a",
22 subparagraph (6), an obligation to engage in practice under an
23 agreement entered into pursuant to subsection 3 shall not be
24 postponed for more than two years from the time the full-time
25 practice was to have commenced under the agreement.

26 c. An obligation to engage in full-time practice under
27 an agreement entered into pursuant to subsection 3 shall be
28 considered satisfied when any of the following conditions are
29 met:

30 (1) The terms of the agreement are completed.

31 (2) The person who entered into the agreement dies.

32 (3) The person who entered into the agreement, due to a
33 permanent disability, is unable to practice as a mental health
34 practitioner.

35 d. If a loan repayment recipient fails to fulfill

1 the obligation to engage in practice in accordance with
 2 subsection 3, the recipient shall be subject to repayment to
 3 the commission of the loan amount plus interest as specified
 4 by rule. A loan repayment recipient who fails to meet the
 5 requirements of the obligation to engage in practice in
 6 accordance with subsection 3 may also be subject to repayment
 7 of moneys advanced by the service commitment area as provided
 8 in any agreement with the service commitment area.

9 12. *Trust fund established.* A mental health practitioner
 10 loan repayment program trust fund is created in the state
 11 treasury as a separate fund under the control of the
 12 commission. The commission shall remit all repayments made
 13 pursuant to this section to the trust fund. All moneys
 14 deposited or paid into the trust fund are appropriated and
 15 shall be made available to the commission to be used for
 16 meeting the requirements of this section. Moneys in the trust
 17 fund up to the total amount that an eligible student may
 18 receive for an eligible loan in accordance with this section
 19 and upon fulfilling the requirements of subsection 3, shall be
 20 considered encumbered for the duration of the agreement entered
 21 into pursuant to subsection 3. Notwithstanding section 8.33,
 22 any balance in the trust fund on June 30 of each fiscal year
 23 shall not revert to the general fund of the state, but shall
 24 be available for purposes of this section in subsequent fiscal
 25 years.

26 13. *Report.* The commission shall submit in a report to
 27 the general assembly by January 1, annually, the number of
 28 individuals who received loan repayment pursuant to this
 29 section, where the participants practiced, the amount paid to
 30 each program participant, and other information identified by
 31 the commission as indicators of outcomes of the program.

32 14. *Rules.* The commission shall adopt rules pursuant to
 33 chapter 17A to administer this section.

34 15. *Definitions.* For purposes of this section:

35 a. *"Advanced registered nurse practitioner"* means a person

1 licensed as a registered nurse under chapter 152 or 152E who
2 is licensed by the board of nursing as an advanced registered
3 nurse practitioner.

4 *b. "Commission"* means the college student aid commission.

5 *c. "Eligible loan"* means the recipient's total federally
6 guaranteed Stafford loan amount under the federal family
7 education loan program or the federal direct loan program, the
8 recipient's federal grad plus loans, or the recipient's federal
9 Perkins loan, including principal and interest.

10 *d. "Mental health practitioner"* means a psychiatrist,
11 a psychologist, a mental health professional, a physician
12 assistant practicing under the supervision of a psychiatrist,
13 or a psychiatric advanced registered nurse practitioner.

14 *e. "Mental health professional"* means an individual who
15 meets all of the following qualifications:

16 (1) The individual holds at least a master's degree in
17 a mental health field, including psychology, counseling and
18 guidance, social work, marriage and family therapy, or mental
19 health counseling.

20 (2) The individual holds a current Iowa license if
21 practicing in a field covered by an Iowa licensure law.

22 (3) The individual has at least two years of post-degree
23 clinical experience, supervised by another individual in the
24 mental health field, in assessing mental health needs and
25 problems and in providing appropriate mental health services.

26 *f. "Mental health professional shortage area"* means a mental
27 health health professional shortage area designated by the
28 health resources and services administration of the United
29 States department of health and human services.

30 *g. "Psychiatric advanced registered nurse practitioner"*
31 means an individual currently licensed as a registered nurse
32 under chapter 152 or 152E who holds a national certification in
33 psychiatric mental health care and who is licensed by the board
34 of nursing as an advanced registered nurse practitioner.

35 *h. "Service commitment area"* means a city in Iowa that

1 provides the following contribution amounts for deposit in the
2 mental health practitioner loan repayment program trust fund
3 for each loan recipient in the community who is participating
4 in the loan repayment program:

5 (1) For a psychiatrist, twenty thousand dollars.

6 (2) For a psychologist or a mental health professional, four
7 thousand dollars.

8 (3) For a physician assistant practicing under the
9 supervision of a psychiatrist, or for a psychiatric advanced
10 registered nurse practitioner, five thousand dollars.

11 Sec. 2. MENTAL HEALTH PRACTITIONER LOAN REPAYMENT PROGRAM
12 TRUST FUND — APPROPRIATION. There is appropriated from the
13 general fund of the state to the college student aid commission
14 for the fiscal year beginning July 1, 2023, and ending June
15 30, 2024, the following amounts, or so much thereof as is
16 necessary, to be used for the purposes designated:

17 For deposit in the mental health practitioner loan repayment
18 program trust fund established pursuant to section 261.117, to
19 be used for the purposes of the program:

20 \$ 1,500,000

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill repeals the existing mental health professional
25 loan repayment program within the college student aid
26 commission, replaces the program with a mental health
27 practitioner loan repayment program, and provides an
28 appropriation.

29 REPEALED PROGRAM. The mental health professional loan
30 repayment program, enacted in 2022, was established to increase
31 the number of nonprescribing mental health practitioners
32 serving cities within federal mental health shortage areas in
33 the state. The program was designed to provide loan repayment
34 benefits to recipients for up to five consecutive years of
35 full-time service, unless granted a waiver for part-time

1 service. The maximum award under the program was \$40,000, paid
2 in annual installments of \$8,000, toward outstanding federal
3 Stafford loan, federal grad PLUS loan, and federal Perkins loan
4 balances at the end of each 12-month employment period. If a
5 recipient refinanced a federal loan with a private loan after
6 signing the program contract, the recipient could continue to
7 receive the loan repayment benefit as long as the recipient
8 contacted the college student aid commission and provided the
9 required documentation.

10 In order to be eligible for the program, a person must have
11 graduated from an eligible Iowa college or university with at
12 least a master's degree in psychology, counseling and guidance,
13 social work, marriage and family therapy, or mental health
14 counseling; have completed at least two years of post-degree
15 clinical experience in assessing and diagnosing mental health
16 needs and in providing mental health services while under the
17 supervision of another individual in the mental health field;
18 and have held a current, nonprescribing practitioner license.

19 NEW PROGRAM. The bill requires the college student aid
20 commission to establish a mental health practitioner loan
21 repayment program for the purposes of providing loan repayments
22 for mental health practitioners who agree to practice in
23 service commitment areas for at least five years and meet the
24 requirements of the bill. "Mental health practitioner" means
25 a psychiatrist, a psychologist, a mental health professional,
26 a physician assistant practicing under the supervision of
27 a psychiatrist, or a psychiatric advanced registered nurse
28 practitioner.

29 Under the bill, an individual is eligible to apply if the
30 individual is enrolled full-time in a curriculum leading
31 to employment as a mental health practitioner. A program
32 agreement must be entered into when the eligible student begins
33 the final year of study in an academic program leading to
34 eligibility for employment as a mental health practitioner.
35 Under the agreement, an eligible student must agree to receive

1 a graduate-level credential qualifying the credential recipient
2 for employment as a mental health practitioner; receive a
3 license to practice in this state; within nine months of
4 meeting the requirements of a mental health practitioner engage
5 in full-time practice as a mental health practitioner for a
6 period of five years in a service commitment area; and during
7 the five-year period of full-time practice, be enrolled as an
8 actively participating Medicaid provider.

9 Under the bill, the commission must give priority in making
10 awards to eligible students who are residents of Iowa upon
11 enrolling in a university and who agree to practice in a
12 service commitment area located in a mental health professional
13 shortage area. A service commitment area is defined as a city
14 in Iowa that provides a certain contribution amount, based on
15 the type of practitioner, for deposit in the mental health
16 practitioner loan repayment program trust fund for each loan
17 recipient in the community participating in the program.

18 Under the bill, the loan repayment amount for a psychiatrist
19 is \$40,000 annually with a maximum of \$200,000 for an eligible
20 loan, not to exceed the total loan amount; for a psychologist
21 or a mental health professional is \$8,000 annually with a
22 maximum of \$40,000 for an eligible loan, not to exceed the
23 total loan amount; and for a physician assistant practicing
24 under the supervision of a psychiatrist or for a psychiatric
25 advanced registered nurse practitioner is \$10,000 annually with
26 a maximum of \$50,000, not to exceed the total loan amount.

27 The bill includes provisions similar to those for other
28 loan repayment and loan forgiveness programs for health
29 professionals under Code chapter 261 including eligibility
30 requirements, program agreements, program priorities, loan
31 repayment amounts, refinanced loans, program agreement
32 limitations, the selection of the service commitment area,
33 rules for loan repayment, rules for additional loan repayment,
34 part-time practice agreement amendments, postponement, and
35 satisfaction of service obligations, the establishment of a

1 trust fund for the program, the submission of annual reports
2 regarding the program, and the adoption of administrative rules
3 for the program.

4 The bill provides definitions for the purposes of the bill
5 and provides for an appropriation from the general fund of the
6 state to the college student aid commission for FY 2023-2024 to
7 be deposited in the mental health practitioner loan repayment
8 program trust fund established under the bill to be used for
9 the purposes of the program.